

Public Disclosure Authorized

OFFICIAL DOCUMENTS

CAFI GRANT NUMBER TF0A5081

Central African Forest Initiative

Grant Agreement

(Additional Financing for the Improved Forested Landscape Management Project)

between

DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND INTERNATIONAL DEVELOPMENT ASSOCIATION

(acting as Implementing Organization of the Central African Forest Initiative
Implementation Single-Donor Trust Fund)

Dated July 18, 2017

CAFI GRANT NUMBER TF0A5081

**CENTRAL AFRICAN FOREST INITIATIVE
GRANT AGREEMENT**

AGREEMENT dated July 18, 2017, entered into between the DEMOCRATIC REPUBLIC OF CONGO (“Recipient”); and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as an Implementing Organization of the Central African Forest Initiative Implementation Single-Donor Trust Fund, for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement).

The Recipient and the World Bank hereby agree as follows:

Article I

Standard Conditions; Definitions

- 1.01. The “Standard Conditions for Grants Made by the World Bank Out of Various Funds”, dated February 15, 2012 (“Standard Conditions”), constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II

The Project

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through its Ministry of Environment and Sustainable Development (“MESD”).
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III

The Grant

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed eighteen million two hundred seventeen thousand five hundred eighty-nine United States Dollars (\$18,217,589) (“Grant”) to assist in financing the Project.

- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Effectiveness

- 4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:
- (a) The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action in accordance with its terms.
 - (b) The Recipient has updated and thereafter adopted the Project Implementation Manual in form and substance satisfactory to the World Bank.
 - (c) The execution of the Partnership Agreement between the Recipient and the Delegated Implementing Agency in accordance with Section I.B of Schedule 2 to this Agreement.
- 4.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Sections 4.01 of this Agreement ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred and twenty (120) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister at the time responsible for finance.

5.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
B.P.12997, Boulevard du 30 Juin, Commune de la Gombe
Kinshasa 1,
Democratic Republic of Congo

Email: cabfinances@minfinrdc.com

Tel.: +243 999 987 640 or +243 815 040 607

5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)

1-202-477-6391

AGREED at Kinshasa, July 18, 2017, as of the day and year first above written.

DEMOCRATIC REPUBLIC OF CONGO

By:

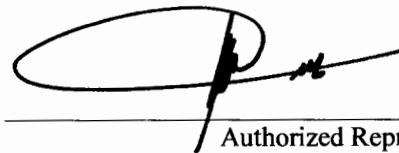

Authorized Representative

Name: Henri YAV MULANG

Title: Ministre des Finances

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT and INTERNATIONAL
DEVELOPMENT ASSOCIATION
(acting as Implementing Organization of the Central
African Forest Initiative Single-Donor Trust Fund)

By:


Authorized Representative

Name: Ahmadou Roustapha Nkanga

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to test new approaches to improve community livelihoods and forested landscape management, and to reduce greenhouse gas emissions from deforestation and forest degradation in selected areas in the Recipient's territory.

The Project consists of the following parts of the Original Project, as modified below, as well as additional Component 1(B) set forth below:

Component 1:

(A) Integrated REDD+ in the Plateau District

Support to community-level natural resources management and associated investments to improve rural peoples' livelihoods in the Plateau District by, *inter alia*:

1. ensuring a sound implementation framework through studies to tailor Project interventions adequate in the Recipient's legal context, in particular regarding land tenure and performance-based payments;
2. developing an initial diagnostic of the local drivers of deforestation and land management challenges in each group of villages; and
3. developing and implementing sustainable management plans by financing the following: (i) capacity building activities for communities and local authorities including forest and agriculture decentralized technical extension services; (ii) key investments (such as demand-driven public infrastructure) at district and territory levels through Sub-projects; (iii) local investments for sustainable natural resources management through Sub-projects; and (iv) Performance-Based Incentives and Investments.

(B) Integrated REDD+ in the Mai-Ndombe District

Support to community-level natural resources management and associated investments to improve rural peoples' livelihoods in the Mai-Ndombe by, *inter alia*:

1. Strengthening governance for sustainable management of natural resources in the Mai-Ndombe District; through, *inter alia*: (i) development of Sustainable Development Plans (SDPs); (ii) development of a methodology to implement said SDPs; and (iii) carrying out of a technical assistance program to implement activities provided for in the SDPs.

2. Capacity building for decentralized administration, through *inter alia*: (i) the development of regulations related to the Farm Act of 24 December 2011 and recommendations to align the Recipient's existing structures with the said Farm Act; (ii) provision of recommendations to redistribute the responsibilities between ministries in charge of agriculture, environment and rural development; (iii) the establishment of a grievance mechanism; and (iv) Training and technical to the Recipient's ministries in charge of environment, agriculture and rural development.
3. Implementation of Sustainable Management Plans (SMPs) through, *inter alia*: (i) capacity building activities, including provision of Training, goods, awareness campaigns and required technical assistance for Communities and local authorities; (ii) Key Investments at district and territory levels through carrying out of Sub-projects; and (iii) provision of Performance-Based Incentives and Investments.
4. Development of value chains for perennial crops, through carrying out of Sub-projects in areas relevant to, *inter alia*, processing and storage facilities and provision of required goods and Training.
5. Common interest investments to enhance connectivity and improve economical transportation in the territory of the Recipient through carrying out of a program of construction and rehabilitation for: (i) the maintenance of 500 km of roads in the Mai-Ndombe District, and 200 km of roads in the Plateau District, (ii) construction of selected bridges; and (iii) commissioning of a ferry.
6. Support to vulnerable communities through carrying out of selected Sub-projects for the benefit of Indigenous Peoples.
7. Support to improve family planning in farmers' households through carrying out of awareness campaigns and youth education programs aimed at promoting access to employment.

Component 2: Private Sector Activities to Reduce Fuel Wood Emissions

Address urban biomass energy needs from the supply and demand sides while generating additional employment through the promotion of labor-intensive plantations, charcoal production, and improved cooks tove manufacturing by:

- (a) facilitating private investments in agro-forestry through Sub-projects selected through a national public call for proposals; and
- (b) disseminating improved cook stove utilization so as to reduce overall fuel wood use.

Component 3: Small-scale Agroforestry Systems to Reduce Land-use Emissions

Promote agroforestry and innovative production systems as an alternative to slash-and-burn agriculture and as a source of sustainable wood fuel by:

- (a) providing technical assistance directly to individual farmers, farmer communities and women's organizations in selected areas of Bas-Congo, Bandundu and Kinshasa Provinces, to help them change their production systems and develop Sub-projects; and
- (b) generating and disseminating practical knowledge while testing the feasibility of alternative agricultural and agroforestry production systems through Sub-projects.

Component 4: Project Monitoring, Capacity-Building and Lessons Learnt

Support Project monitoring, capacity-building and dissemination of lessons learnt by:

- (a) assisting the FIP Coordination Unit to ensure its capacity building and an efficient monitoring and evaluation of the Project's activities; and
- (b) carrying out consultations, knowledge management and information dissemination activities on lessons learned from the Project's activities.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

The Recipient shall:

1. Maintain the REDD+ National Committee throughout the period of Project implementation in charge of overall guidance and oversight for the Project, including approval and control of Project work plans and annual budgets, *inter alia*, and with powers acceptable to the World Bank as further described in the Project Implementation Manual.
2. Maintain the Provincial Steering Committee for the Recipient's province of Mai-Ndombe throughout the period of Project implementation in order to ensure a participatory process at the provincial level, and with powers acceptable to the World Bank as further described in the Project Implementation Manual.
3. Maintain the FIP Coordination Unit within the administrative structure of MESD throughout the period of Project implementation in charge of the day-to-day management, implementation, monitoring and evaluation of the Project, *inter alia*, and with staffing and powers acceptable to the World Bank as further described in the Project Implementation Manual, including a fiduciary team dedicated to the project with: (a) one financial management specialist; (b) one accountant; and (c) one procurement specialist, all with terms of reference, capacity and qualifications acceptable to the World Bank.

B. Partnership Agreement

1. To facilitate the carrying out of Component 1(B) of the Project, the Recipient shall, through the FIP Coordination Unit, make the proceeds of the Grant available to, a Delegated Implementing Agency under a partnership agreement to be entered into by the Recipient and said agency, under terms and conditions approved by the World Bank, as further described in the Project Implementation Manual ("Partnership Agreement").
2. The Recipient shall, through the FIP Coordination Unit, exercise its rights under the Partnership Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Partnership Agreement or any of their provisions. In case of any conflict between the terms of the Partnership Agreement and the terms of this Agreement, the terms of this Agreement shall prevail.

C. Sub-projects

1. To facilitate the carrying out of Sub-projects under Components 1(B).3(ii), 1(B).4 and 1(B).6 of the Project, the Recipient shall, through the FIP Coordination Unit, make Sub-grants to Beneficiaries for the financing of said Sub-projects in accordance with eligibility criteria and procedures acceptable to the World Bank described in the Project Implementation Manual.
2. The Recipient shall, through the FIP Coordination Unit, make each Sub-grant under a Sub-grant Agreement with the respective Beneficiary on terms and conditions approved by the World Bank, as further detailed in the Project Implementation Manual, said Sub-grant Agreement to include the following:
 - (a) The Sub-grant shall be made under grant terms with a contribution from the Beneficiary as further detailed in the Project Implementation Manual.
 - (b) The Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-grant or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Sub-grant Agreement; and (ii) require each Beneficiary to: (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines , the Project Implementation Manual and the Safeguards Instruments; (B) provide, promptly as needed, the resources required for the purpose; (C) procure, when applicable, the goods, works and services to be financed out of the Sub-grant in accordance with the provisions of Section III of Schedule 2 to this Agreement; (D) maintain, when applicable, procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Sub-project and the achievement of its objectives; (E) (1) maintain, when applicable, a financial management system and prepare financial statements in accordance with simplified accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the World Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; (F) enable the Recipient and the World Bank to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the World Bank all such

information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

3. The Recipient shall exercise its rights under each Sub-grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-grant Agreement or any of its provisions. In case of any conflict between the terms of the Sub-grant Agreements and the terms of this Agreement, the terms of this Agreement shall prevail.

D. Performance-Based Incentives and Investments

1. To facilitate the carrying out of Component 1(B).3(iii) of the Project, the Recipient, through the FIP Coordination Unit, shall make part of the proceeds of the Grant available to Communities under Agreements for Performance-Based Incentives and Investments including terms and conditions approved by the World Bank, as further described in the Project Implementation Manual (“Agreements for Performance-Based Incentives and Investments”).
2. The Recipient shall exercise its rights under the Agreements for Performance-Based Incentives and Investments in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Agreements for Performance-Based Incentives and Investments or any of their provisions. In case of any conflict between the terms of the Agreements for Performance-Based Incentives and Investments and the terms of this Agreement, the terms of this Agreement shall prevail.

E. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 (“Anti-Corruption Guidelines”).

F. Project Implementation Manual

1. The Recipient shall cause the Project to be carried out in accordance with the provisions of the Project Implementation Manual.
2. Except as the World Bank shall otherwise agree, the Recipient shall not amend or waive the Project Implementation Manual, or any provision thereof, or permit any such provision to be amended or waived. In case of any conflict between the

provisions of the Project Implementation Manual, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

G. Safeguards

1. The Recipient shall cause the FIP Coordination Unit to carry out the Project in accordance with the provisions of the Safeguards Instruments, including the Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF), Indigenous People Planning Framework (IPPF), Indigenous People's Plan (IPP), Physical Cultural Resources Management Framework (PCRMF), Process Framework (PF) and Pest Management Plan (PMP).
2. Without limitation on the provisions of paragraph immediately above, the Recipient shall cause the FIP Coordination Unit to take the following measures:
 - (a) If any Project activity would, pursuant to the ESMF, require the preparation of an Environmental and Social Impact Assessment (ESIA) (including an Environmental and Social Management Plan (ESMP)), no such activity shall be implemented unless such ESIA has been: (i) prepared in accordance with such ESMF and furnished to the World Bank; (ii) disclosed locally as required by the ESMF; and (iii) approved by the World Bank and publicly disclosed.
 - (b) If any Project activity would, pursuant to the RPF, require the preparation of a Resettlement Action Plan (RAP), no such activity shall be implemented, unless:
 - (i) a RAP for such activity has been: (A) prepared in accordance with the requirements of the RPF and furnished to the World Bank; (B) disclosed as required by the RPF; and (C) approved by the World Bank and publicly disclosed; and
 - (ii) (A) all measures required to be taken under said RAP prior to the initiation of said activity have been taken, including, without limitation to the above, providing funds for resettlement compensation when and if required under a RAP; (B) a report, in form and substance satisfactory to the World Bank, on the status of compliance with the requirements of said RAP has been prepared and furnished to the World Bank; and (C) the World Bank has confirmed that the implementation of said activity may be commenced.
 - (c) If any Project activity would, pursuant to the IPPF, require the preparation of a IPP, no such activity shall be implemented, unless:

- (i) a IPP for such activity has been: (A) prepared in accordance with the requirements of the IPPF and furnished to the World Bank; (B) disclosed as required by the IPPF; and (C) approved by the World Bank and publicly disclosed; and
 - (ii) (A) all measures required to be taken under said IPP prior to the initiation of said activity have been taken, including, without limitation to the above, providing necessary support when and if required under a IPP; (B) a report, in form and substance satisfactory to the World Bank, on the status of compliance with the requirements of said IPP has been prepared and furnished to the World Bank; and (C) the World Bank has confirmed that the implementation of said activity may be commenced.
- 3. The Recipient shall not amend or waive, or permit to be amended or waived, any Safeguards Instrument, or any provision of any one thereof, without the prior written approval of the World Bank.
- 4. The Recipient shall ensure that all measures for carrying out the recommendations of the Safeguards Instruments are taken in a timely manner.
- 5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall cause the FIP Coordination Unit to:
 - (a) provide quarterly monitoring reports (“Safeguards Monitoring Reports”) containing adequate information on monitoring the measures defined in the Safeguards Instruments, giving details of:
 - (i) measures taken in furtherance of such Safeguards Instruments;
 - (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguards Instruments;
 - (iii) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguards Instruments;
 - (b) include summaries of the Safeguards Monitoring Reports in the Project Reports; and
 - (c) afford the World Bank a reasonable opportunity to exchange views with the FIP Coordination Unit on such reports.
- 6. Without limitation upon its other reporting obligations under Section II.A of this Schedule 2, the Delegated Implementing Agency shall take all measures necessary to regularly collect and compile, and submit to the Recipient for the Recipient to

submit to the World Bank, as part of the Project Reports, and promptly in a separate report whenever the circumstances warrant, information on the status of compliance with the Safeguards Instruments, providing details of: (a) the measures taken in furtherance of the Safeguards Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and (c) remedial measures taken or required to be taken to address such conditions.

7. The Delegated Implementing Agency shall: (a) ensure that any technical assistance financed under the Project is carried out under terms of reference satisfactory to the World Bank following its review thereof and, to that end, said technical assistance shall duly incorporate the requirements of the World Bank's Safeguards Policies and be publicly disclosed and consulted upon in accordance with the World Bank's Safeguards Policies; and (b) ensure that any capacity building activities under the Project are consistent with, and pay due attention to, the World Bank's Safeguards Policies.
8. The Recipient shall ensure that each Safeguards Monitoring Report shall be furnished by the FIP Coordination Unit to the World Bank not later than forty-five (45) days after the end of the three (3) month period covered by such report and the first such report shall be furnished to the World Bank not later than forty-five (45) days after the end of the three (3) month period in which the activities of the Project commenced.
9. In the event of any conflict between the provisions of any Safeguards Instrument and those of this Agreement, the Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Documents; Records

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include:
 - (i) this Agreement, all addenda thereof, and any amendments thereto;
 - (ii) the Recipient's financial and narrative progress reports submitted to the World Bank;
 - (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records;
 - (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and
 - (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions;and

- (b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor(s).

B. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than 45 days after the end of the period covered by such report.
2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

C. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

- (a) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011, revised July 2014 (“Procurement Guidelines”), in the case of goods and works, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011, revised July 2014 (“Consultant Guidelines”), in the case of consultants’ services; and
 - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-Consulting Services

- 1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
- 2. **Other Methods of Procurement of Goods, Works and Non-Consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding subject to the additional provisions referred to in subparagraph 3 below; (b) Shopping; (c) Direct Contracting; (d) Community Participation procedures which have been found acceptable to the World Bank; and (e) Limited International Bidding.
- 3. **Additional Provisions for National Competitive Bidding**

National Competitive Bidding may be used subject to using the open procedure (“*appel d’offres ouvert*”) set forth in the Recipient’s Public Procurement Law No. 10/010 dated April 27, 2010 (the “PPL”) and the Manual of Procedures of the PPL as per Recipient’s Decree No 10/22 dated June 2, 2010 (the “Manual of Procedures”); provided, however, that such procedure shall be subject to the

provisions of Section I and Paragraphs 3.3 and 3.4 of Section III of the Procurement Guidelines and the additional following modifications:

- (a) **Standard Bidding Documents:** All standard bidding documents to be used for the Project under NCB shall be found acceptable to the World Bank before their use during the implementation of Project.
- (b) **Eligibility:** Eligibility of bidders and acceptability of their goods and services shall not be based on their nationality and/or their origin; and association with a national firm shall not be a condition for participation in a bidding process. Therefore, except for the ineligibility situations referred to in paragraphs 1.10(a)(i) and 1.10(a)(ii) of the Procurement Guidelines, the eligibility of bidders must be based solely on their qualification, experience and capacity to carry out the contract related to the specific bidding process.
- (c) **Advertising and Bid Preparation Time:** Bidding opportunities shall be advertised at least in a national newspaper of wide circulation and on the website of the Recipient's Procurement Regulator (*Autorité de Régulation des Marchés Publics*) and bidders should be given at least 30 days from the date of invitation to bid or the date of availability of the bidding documents, whichever is later.
- (d) **Criteria for Qualification of Bidders:** Qualification criteria shall only concern the bidder's capability and resources to perform the contract taking into account objective and measurable factors. Such criteria for qualification of bidders shall be clearly specified in the bidding documents.
- (e) **Bid Evaluation and Contract Award:** A contract shall be awarded to the substantially responsive and lowest evaluated bidder provided that such bidder meets the qualification criteria specified in the bidding documents. No scoring system shall be allowed for the evaluation of bids, and no "blanket" limitation to the number of lots which can be awarded to a bidder shall apply. The criteria for bid evaluation and the contract award conditions shall be clearly specified in the bidding documents.
- (f) **Preferences:** No preference shall be given to domestic/regional bidders; to domestically/regionally manufactured goods; and to bidders forming a joint venture with a national firm or proposing national sub-contractors or carrying out economic activities in the territory of the Recipient.
- (g) **Publication of Contract Award:** Information on all contract awards shall be published in at least a national newspaper of wide circulation or in the

Recipient's Procurement Regulator (*Autorité de Régulation des Marchés Publics*) web-site.

- (h) **Fraud and Corruption:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines.
- (i) **Inspection and Audit Rights:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy with respect to inspection and audit of accounts, records and other documents relating to the bid submission and contract performance.
- (j) **Requirement for administrative documents and/or tax clearance certificate:** The bidding documents shall not require foreign bidders to produce any administrative or tax related certificates prior to confirmation of awarding a contract.
- (k) **Modifications of a Signed Contract:** Any change in the contract amount which, singly or combined with all previous changes, increases the original contract amount by 15% (fifteen percent) or more must be done through an amendment to the signed contract instead of signing a new contract.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Selection under a Fixed Budget; (b) Least Cost Selection; (c) Quality-Based Selection, (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Use of Nongovernmental Organizations (NGOs); (g) Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants’ services, Operating Costs, Training, Sub-grants, and Performance-Based Incentives and Investments under Component 1.B of the Project.	18,217,589	100%
TOTAL AMOUNT	18,217,589	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2022.

Section V. Other Undertakings

1. By June 30, 2020, or such other date as the World Bank shall agree upon, the Recipient shall: (a) carry out jointly with the World Bank, a mid-term review of the implementation of operations under the Project, which shall cover the progress achieved in the implementation of the Project; and (b) following such mid-term review, act promptly and diligently to take any corrective action as shall be agreed by the World Bank.
2. The Recipient shall carry out every year, starting on the first fiscal year of the Project, an internal audit to ensure that the Project is carried out in compliance with this Agreement, the Project Implementation Manual and the Safeguards Instruments.

APPENDIX

Definitions

1. “Agreements for Performance-Based Incentives and Investments” means agreements to be signed between the Recipient and Communities to provide services of environmental value for a Performance-Based Incentive and Investment, as further described in the Project Operations Manual.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Beneficiary” or “Beneficiaries” means a community, individual farmers or a group of farmers or selected Indigenous People according to the Indigenous Peoples Plan to whom the Recipient has made or proposes to make a Sub-grant for a Sub-project.
4. “Category” means the category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Environmental and Social Impact Assessment” or “ESIA” means an environmental and social impact assessment to be conducted by the Recipient in accordance with the procedures and requirements under the ESMF with the aim of identifying and evaluating environmental impacts and risks associated with the Project activities, as such ESIA may be amended from time to time with the prior written approval of the World Bank.
6. “Environmental and Social Management Plan” or “ESMP” means an environmental and social management plan to be prepared by the Recipient in accordance with the procedures and requirements under the ESMF, defining: (a) the measures to be taken during the implementation of a particular activity to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as such ESMP may be amended from time to time with the prior written approval of the World Bank.
7. “Communities” means a community in the Recipient’s territory with whom the Recipient has signed or proposes to sign an Agreement for the implementation of Performance-Based Incentives and Investments.
8. “Physical Cultural Resources Management Framework” means the document dated April 9, 2014, and updated on April 11, 2017, which: (a) sets out the modalities to be followed by the Recipient in assessing the potential adverse impacts of the Project on physical cultural assets, and the measures to be taken to

offset, reduce or mitigate such adverse impacts; and (b) consists, *inter alia*, of sections dealing physical cultural assets screening processes and chance finding for the Project as well as for the preparation of cultural heritage protection plans, as published and available to the public on the website of the MESD (<http://www.medd.gouv.cd>), as the same may be amended from time to time with the World Bank prior written approval.

9. “Delegated Implementing Agency” means a selected non-governmental organization acting as contractor on behalf of the MESD for the implementation of Component 1.B under a Partnership Agreement.
10. “Effective Date” means the date on which this Agreement enters into effect pursuant to Sections 4.01, 4.02 and 4.03 of this Agreement.
11. “Environmental and Social Management Framework” or “ESMF” means the document April 9, 2014, and updated on April 28, 2017 which: (a) sets out the modalities to be followed by the Recipient in assessing the potential adverse environmental and social impacts of the Project, and the measures to be taken to offset, reduce or mitigate such adverse impacts; and (b) consists, *inter alia*, of sections dealing with environmental and social screening processes for the Project as well as for the preparation of environmental and social management plans, as published and available to the public on the website of the MESD (<http://www.medd.gouv.cd>), as the same may be amended from time to time with the World Bank prior written approval.
12. “FIP” means the Forest Investment Program, one of the three programs under the Strategic Climate Fund.
13. “FIP Coordination Unit” means the unit within the MESD in charge of the day-to-day management and implementation of the Project, as further described in the Project Implementation Manual, or any successor thereto.
14. “Indigenous Peoples” means the indigenous peoples identified in the Indigenous People’s Plan dated May 2, 2017.
15. “Indigenous Peoples Planning Framework” or “IPPF” means the document dated April 9, 2014, which: (a) outlines measures to ensure culturally appropriate social and economic benefits under the Project and avoid, minimize, or mitigate or compensate for any potential adverse effects associated with activities to be implemented under the Project, including the Sub-projects and the Performance-Based Incentives and Investments; and (b) consists, *inter alia*, of sections dealing with social screening processes for the Project as well as for the preparation of Indigenous Peoples development plans, as published and available to the public on the website of the MESD (<http://www.mecnt.gouv.cd>), as the same may be amended from time to time with the World Bank prior written approval.

16. “Indigenous People’s Plan” or “IPP” means the document dated May 2, 2017, which: (a) outlines measures to ensure culturally appropriate social and economic benefits under the Project and avoid, minimize, or mitigate or compensate for any potential adverse effects associated with activities to be implemented under the Project, including the Sub-projects and the Performance-Based Incentives and Investments; (b) consists, *inter alia*, of sections dealing with social screening processes for the Project as well as for the preparation of Indigenous Peoples development plans; and (c) identifies a series of Sub-projects to be implemented over the course of the Project implementation, as published and available to the public on the website of the MESD (<http://www.mecdd.gouv.cd>), as the same may be amended from time to time with the World Bank prior written approval.
17. “Key Investments” means investments in the demand-driven public infrastructure, agriculture biodiversity, fisheries development.
18. “MESD” means the Recipient’s Ministry of Environment and sustainable development or any successor thereto.
19. “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project preparation and coordination, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, translation, catering, consumables, health expenses for the FIP Coordination Unit personnel and their dependents, travel cost and per diem for Project staff for travel linked to the preparation, implementation and coordination of the Project, and salaries of support staff for the Project (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).
20. “Partnership Agreement” means the agreement signed to facilitate the carrying out of Component 1.B of the Project between the FIP Coordination Unit and, respectively, the Delegated Implementing Agency under terms and conditions approved by the World Bank, as further described in the Project Implementation Manual.
21. “Pest Management Plan” or “PMP” means the document dated April 9, 2014, and updated on April 11, 2017, which sets out the modalities to be followed by the Recipient in assessing the potential adverse environmental impacts of pest management, and the measures to be taken to offset, reduce or mitigate such adverse impacts, as published and available to the public on the website of the MESD (<http://www.medd.gouv.cd>), as the same may be amended from time to time with the World Bank prior written approval.

22. “Performance-Based Incentives and Investments” means payments for services provided by Communities ensuring the permanence of the forest cover and the proper implementation of management plans under Component 1.B of the Project.
23. “Process Framework” or “PF” means the document dated April 9, 2014, and updated on April 28, 2017, which sets out the modalities and procedures to be followed by the Recipient in assessing potential access limitation as a result of Project activities, and the measures to be taken to offset, reduce or mitigate such adverse impacts, as published and available to the public on the website of the MESD (<http://www.medd.gouv.cd>), as the same may be amended from time to time with the World Bank prior written approval.
24. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 1, 2017, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
25. “Project Implementation Manual” means a manual to be adopted by the Recipient on and updated in accordance with section 4.01(b) of this Agreement and found satisfactory to the World Bank and which shall contain, *inter alia*: (a) the terms of reference, functions and responsibilities for the members or personnel of the FIP Coordination Unit, the REDD+ National Committee and the Provincial Steering Committee as well as the Screening Committee; (b) the criteria, detailed rules and procedures for the selection and the financing of the Sub-projects and the Performance-Based Incentives and Investments; (c) the procedures for procurement of goods, works, non-consulting services, consultants’ services, Operational Costs, Training and Workshops, as well as for financial management and audits under the Project; (d) the indicators to be used in the monitoring and evaluation of the Project; (e) flow and disbursement arrangements of Project funds; (f) the model form for the Sub-grant Agreements, the Partnership Agreements and the Agreements for Performance-Based Incentives and Investments; (g) the terms of reference for the financial audit and the internal audit; (h) specific mechanisms to allow Communities and Beneficiaries to designate representatives to sign respectively Agreements for Performance-Based Incentives and Investments and Sub-grant Agreements on their behalf; and (i) the Safeguards Policies; as said manual may be amended from time to time with the World Bank’s prior approval.
26. “Provincial Steering Committee” means the committee involved at the provincial level in the design of the Project work programs to be established for the Mai-Ndombe Province, and as further described in the Project Implementation Manual or any successor thereto.
27. “REDD” means reducing emissions from deforestation and forest degradation in the Recipient’s territory.

28. “REDD+” means the expanded scope of REDD beyond deforestation and forest degradation to include conservation, sustainable management and increase of forest carbon stocks.
29. “REDD+ National Committee” means the committee in charge of overall guidance and oversight for the Project, including approval and control of Project work plans and annual budget.
30. “REDD+ Readiness Process” means a set of activities aiming at working out a sound social and environmental framework in order to welcome emission reductions payment agreements.
31. “Resettlement Policy Framework” or “RPF” means the document dated April 9, 2014, and updated on April 21, 2017, which: (a) sets out the modalities to be followed by the Recipient in assessing the potential adverse social impacts related to involuntary resettlement of the Project, and the measures to be taken to offset, reduce or mitigate such adverse impacts; and (b) consists, *inter alia*, of sections dealing with social screening processes for the Project as well as for the preparation of resettlement plans, as published and available to the public on the website of the MESD (<http://www.medd.gouv.cd>), as the same may be amended from time to time with the World Bank prior written approval.
32. “Resettlement Action Plan” or “RAP” means a resettlement action plan to be prepared by the Recipient in accordance with the procedures and requirements under the RPF, setting out, for a particular activity, actions and measures for compensation and resettlement of Involuntarily Displaced Persons, including the magnitude of displacement, proposed compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, the RAP, as such plan may be revised from time to time with prior written approval of the World Bank.
33. “SDPs” means sustainable development plans, that propose a green sustainable development strategy at different administrative levels (Territory, Sector, District and Province levels).
34. “SMPs” means sustainable management plans, that provide guiding principles for land use at the village level, and priority investments.
35. “Standard Conditions” means the Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.

36. “Sub-grant” means a grant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Grant to assist in financing of Sub-projects and “Sub-grants” means all said Sub-grants.
37. “Sub-grant Agreement” and “Sub-grant Agreements” means each and all agreements referred to in Section I.D of Schedule 2 to this Agreement pursuant to which the Recipient shall provide a Sub-grant out of the proceeds of the Grant available to a Beneficiary for a Sub-project.
38. “Sub-project” or “Sub-projects” means collectively key and local investments in the Mai- Ndombe District or the Sub-projects for agroforestry to be implemented by Beneficiaries, all under Components 1.B.3(ii), 1.B.4 and 1.B.6 of the Project utilizing the proceeds of a Sub-grant under a Sub-grant Agreement.
39. “Safeguards Instruments” means the following seven instruments: (a) the Environmental and Social Management Framework; (b) the Process Framework; (c) the Pest Management Plan; (d) the Physical Cultural Resources Management Framework; (e) the Resettlement Policy Framework; (f) the Indigenous Peoples Planning Framework; and (g) Indigenous Peoples Plan.
40. “Training” means the reasonable costs, as shall have been approved by the World Bank, for incremental expenses incurred on account of Project preparation and coordination consisting of: local training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities; preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services).